Empresaria Group plc

International Specialist Staffing Group

Investor presentation – March 2014

Joost Kreulen – Chief Executive Officer

Spencer Wreford – Group Finance Director

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Highlights

- Adjusted profit before tax of £5.4m up 17% on 2012
- Adjusted earnings per share of 6.2p up 24% on 2012
- Conversion ratio increased to 14.2% (2012: 12.0%)
- £2.3m reduction in reported net debt to £5.8m
- Singapore start-up businesses delivered profit after two years of investment
- Turnaround in Chile to deliver a profit
- £2.2m cost savings in Germany & Austria
- Organic investments in 2014 in Kuala Lumpur, Mexico City & Hong Kong
- Investment made in BW&P in March 2014, a Dubai based professional staffing firm in the Technical & Industrial sector, providing entry into a new geography

Financial highlights

	2013	2012	% var	L-F-L % var
Revenue	£194.4m	£194.3m	-	-
Net fee income	£42.6m	£43.9m	-3%	-2%
Adjusted operating profit*	£6.0m	£5.4m	+11%	+15%
Conversion ratio	14.2%	12.0%	+18%	
Adjusted profit before tax*	£5.4m	£4.6m	+17%	+23%
Earnings per share	5.2p	3.0p	+73%	
Adjusted earnings per share*	6.2p	5.0p	+24%	
Reported net debt	(£5.8m)	(£8.1m)	28%	

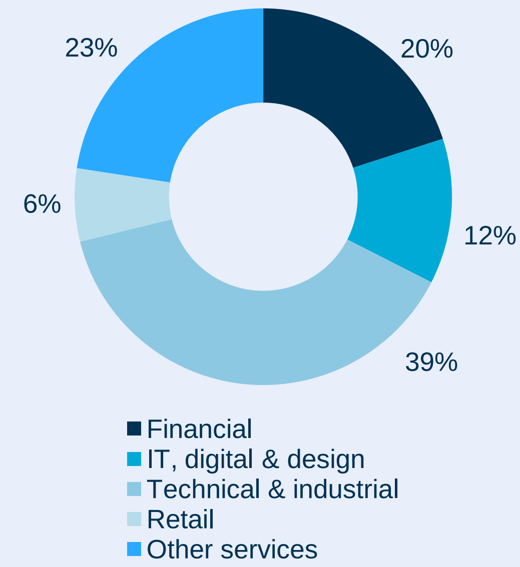
Note: Adjusted results exclude amortisation of intangible assets, gain or loss on business disposal and exceptional items.

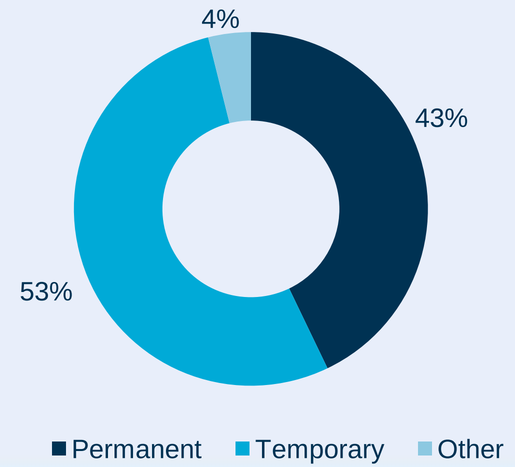
Regional review - UK

	2013	2012	% var
Revenue	£70.7m	£66.5m	+6%
Net fee income	£15.8m	£16.0m	-1%
Adjusted operating profit	£2.1m	£2.2m	-5%
Conversion ratio	13%	14%	

- Permanent sales up 2%, temporary sales up 7%
- Brand rationalisation with disposal of trade & assets of payroll business. Underlying business Adjusted operating profit +1%
- Improving market conditions and business confidence, especially in Technical & Industrial, Financial and IT, Digital & Design sectors
- New division developed for Financial sector in Actuarial
- Retail sector waiting for new house build supply to catch up
- Other services sector saw strong growth with investment in new areas

Net fee income split



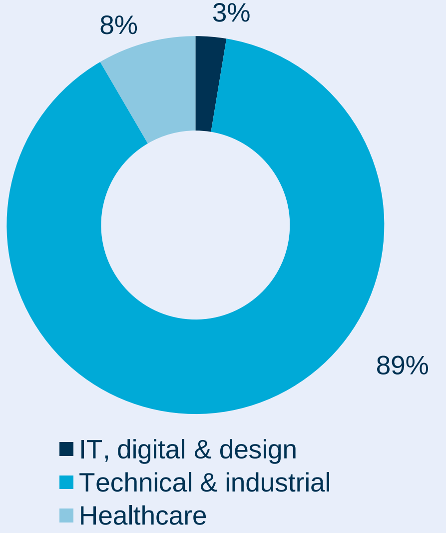


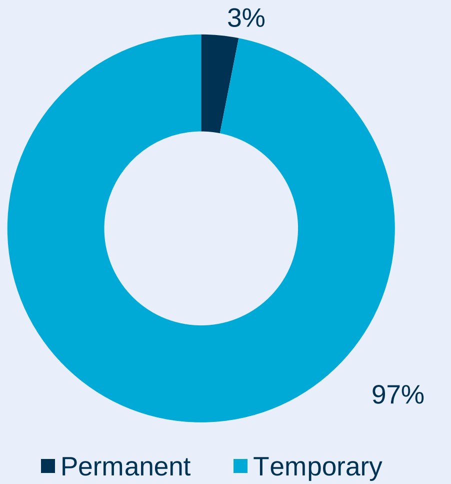
Regional review – Continental Europe

	2013	2012	% var
Revenue	£76.9m	£83.2m	-8%
Net fee income	£13.9m	£15.7m	-11%
Adjusted operating profit	£1.8m	£1.7m	+6%
Conversion ratio	13%	11%	

- Tight cost control delivered an increase in profits
- Restructuring complete in Technical & Industrial sector, now with solid platform for future growth
- CGZP worker claims time barred. Social security audit outstanding for 2010 but fully provided for
- Transition year in Healthcare sector. Core sales & marketing team improved. Started first Spanish doctors in Finland. Broadening candidate base to Estonia, Spain & Finland
- Market conditions improving in Germany. Austerity measures in Finland but looking to offset this with private sector

Net fee income split



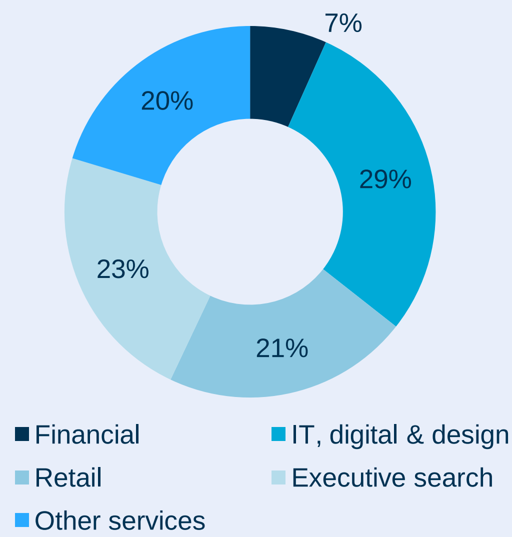


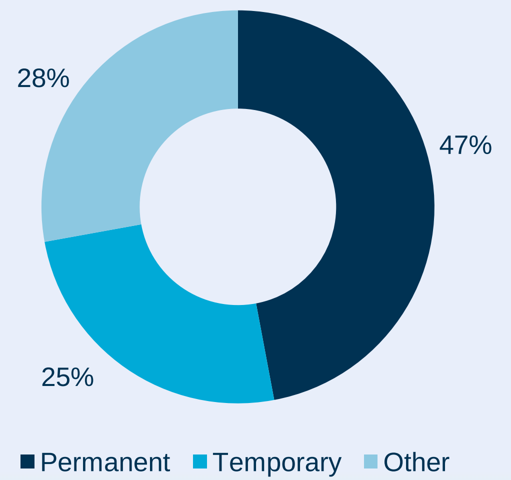
Regional review – Rest of the World

	2013	2012	% var
Revenue	£46.8m	£44.6m	+5%
Net fee income	£12.9m	£12.2m	+6%
Adjusted operating profit	£2.1m	£1.5m	+40%
Conversion ratio	16%	12%	

- Permanent revenue up 12%, temporary revenue up 3%
- Profit contributions from Singapore after two years of investment
- Turnaround in Chile to deliver profit
- Growth from both brands in Japan. New permanent sales team added to Retail brand
- Strong growth from Offshore Recruitment Services in India, driven by US & UK markets
- Economic growth forecasts for 2014 positive but generally down on recent levels. Exchange rates volatile and will negatively impact translation of results on like-for-like basis

Net fee income split





Multibrand philosophy

- Multibrand philosophy is integral part of our success
- Differentiates Empresaria from competitors
- Brands are tailored to specific markets and business sectors
- Helps brands deliver high quality value-added service to clients and candidates
- In-depth knowledge of business sector provides competitive advantage
- Attracts and retains entrepreneurial managers and teams
- Helps with development of Professional and Specialist job levels

Strategy for growth – Brand led

- Organic growth:
  (1) Increase headcount
  (2) Entry into new sectors
  (3) Expansion within an existing geography
  (4) Entry into new geographies
- External investment to enter new sectors or geographies, or help grow an existing brand
- Balanced & diversified spread of operations
- Develop core brands (number of brands rationalised from 36 in 2008 to 19 in 2013)
- Brands must be able to contribute significant profit to the Group
- Financial implications, long-term targets:
  - 10% net fee income growth
  - Conversion ratio of 20%
  - Debt to debtors ratio of 25%

Current trading and outlook

- Delivered on what we said we would do
  - Strong growth in profit
  - Operational improvements in Germany and Chile
  - Profit from investment in Singapore
  - Tight control of costs
- During the economic downturn we have created a stable platform for growth
- UK market conditions and business confidence improving
- GDP growth expected in Continental Europe (driven by Germany) and the Rest of the World region
- Strategic focus on brand led development.   New offices being opened in 2014 in Kuala Lumpur, Mexico City & Hong Kong
- Investment made in 2014 in Middle East with experienced and known management team
- Well placed to deliver growth through a combination of organic development and external investments

Appendices

Income statement – 2013

Income statement

£m	2013	2012	Change	LFL currency
Revenue	194.4	194.3	0%	0%
Net fee Income	42.6	43.9	(3%)	(2%)
Overheads	(36.6)	(38.5)	(5%)	(5%)
Adjusted operating profit	6.0	5.4	11%	15%
Interest	(0.6)	(0.8)		
Adjusted profit before tax	**5.4**	**4.6**	17%	23%
Exceptional items and amortisation	(0.5)	(1.0)		
Tax	(2.1)	(1.7)		
Profit for the period	2.8	1.9		
Adjusted EPS (p)	6.2	5.0	+24%	
IFRS EPS (p)	5.2	3.0	+73%	

Revenue was flat, with a 6% increase in permanent sales and an 0.5% decrease in temporary sales.

Net Fee Income was 3% lower than prior year. In permanent sales there was an increased cost for training services which reduced the margin and the temporary margin reduced from 16.2% to 15.3%.

Overheads reduced by 5%, helping the conversion ratio improve from 12.0% in 2012 to 14.2% in 2013.

Exceptional costs are from:
- £0.3m release of CGZP provision
- £0.6m restructuring charges in Germany
- Net nil result for disposal of Bar 2 business (£0.5m gain on disposal offset by £0.5m impairment of goodwill).

Tax rate of 43% in 2013 (39% based on adjusted profit before tax).

* Adjusted results are before exceptional items, gain or loss on disposal of business and amortisation of intangible assets

Balance sheet – 31 December 2013

£m	2013	2012
Property, plant & equipment	1.0	1.3
Goodwill and intangibles	26.0	26.6
Deferred tax asset	0.6	1.2
	27.6	29.1
Trade and other receivables	27.2	27.4
Cash and bank balance	5.7	6.2
	32.9	33.6
Trade and other payables	(21.4)	(21.8)
Current tax liability	(1.7)	(1.7)
Short-term borrowings	(4.2)	(6.4)
	(27.3)	(29.9)
Long-term borrowings	(7.3)	(7.9)
Deferred tax liabilities	(1.2)	(0.9)
	(8.5)	(8.8)
Net assets	**24.7**	**24.0**
Share capital & share premium	(21.6)	(21.6)
Merger reserve	(0.9)	(1.5)
Retranslation reserve	(2.6)	(3.3)
Other reserves	1.2	1.3
Equity reserve	6.7	6.1
Retained earnings	(4.4)	(1.6)
Non-controlling interests	(3.1)	(3.4)
Total equity	**(24.7)**	**(24.0)**
Net debt	**(5.8)**	**(8.1)**

Capital expenditure of £0.8m on fixed assets.

Goodwill reduced by £452k for Bar 2 business disposal.

Deferred tax asset reduces as losses utilised and £0.3m transferred to current tax for CGZP issue.

Average debtor days 50 (2012: 51).

Reported net debt of £5.8m at end of year, down from £8.1m at end of 2012 but overall debt levels, including non-recourse invoice financing, up to £15.2m (2012: £14.5m).

New bank facilities arranged in Finland, Czech Republic, Slovakia, Australia & Indonesia.
RCF Euro 2.2m repaid in December 2013.

No movement in share capital.

Equity reserve represents acquisition of minority interests under IFRS 3.

Cash flow – 2013

£m	2013	2012
Profit for the period	2.8	1.9
Depreciation, amortisation & share based payments	1.2	1.3
Tax and interest added back	2.7	2.5
Loss/(profit) on disposals	0.0	0.0
Exceptional items	(0.7)	(0.4)
Working capital	1.8	(0.2)
Cash generated from operations	**7.8**	**5.1**
Tax, interest & capex	(3.1)	(2.9)
Dividends to non-controlling interests	(0.2)	(0.4)
Dividends to shareholders	(0.2)	(0.2)
Investments and disposals	(1.1)	(3.0)
Cash inflow from loans and borrowings	(3.3)	1.8
Increase in cash in the period	(0.1)	0.5
Foreign exchange	(0.4)	(0.3)
Net increase in borrowings	2.8	(2.7)
Net debt brought forward	(8.1)	(5.6)
Net debt carried forward	(5.8)	(8.1)
Non-recourse invoice financing	(9.4)	(6.4)
Total net debt	(15.2)	(14.5)

Cash generated from operations was £7.8m, up on the prior year with a £1.8m working capital inflow and £1.0m cash spend on exceptional items.

Cash outflow on tax was level with prior year at £1.6m. Capex of £0.8m was up £0.3m on 2012.

Investments include £1.3m of minority share purchases. Cash received was from Bar 2 business disposal and second generation share issues.

Cash outflow on borrowings includes repayment before year end of the Euro 2 RCF of €2.2m.

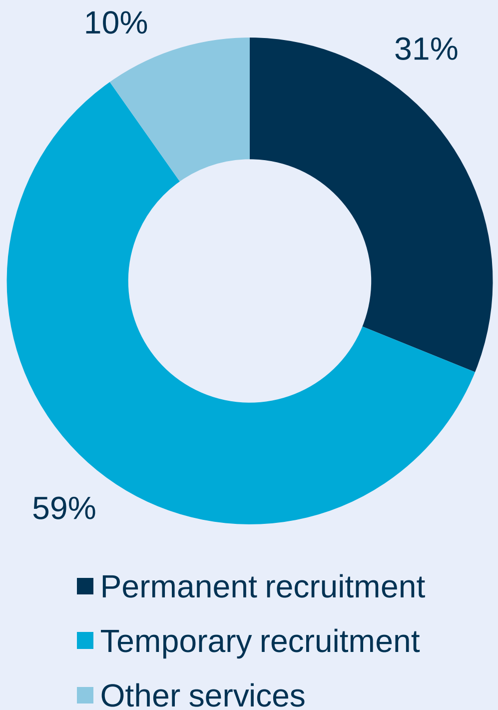
Non-recourse invoice financing increased by £3.0m.

Background – Who we are

- International specialist staffing group
- Multibrand strategy
- Balanced and diversified across geographies & sectors
- Management equity philosophy

Background - What we do

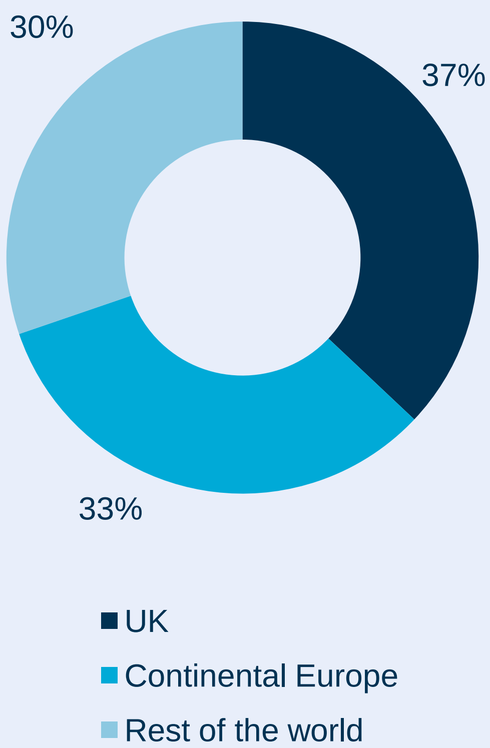
Net fee income split



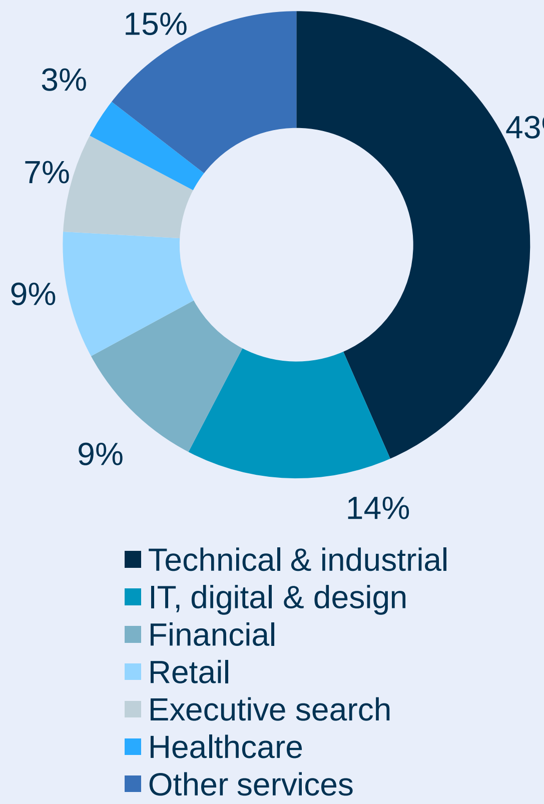
- Core recruitment focus
- Fees are earned when a vacancy is filled
- Typically vacancies are on a contingency basis
- Temporary bias – generally less volatile during the economic cycle
- Other services includes training and Offshore Recruitment Services

Background – Balanced & diversified

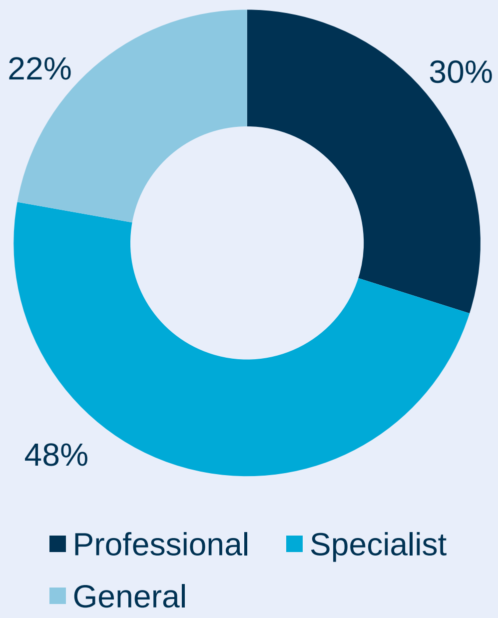
Regional net fee income



Sector net fee income



Job level net fee income



Background - Why we are in our markets

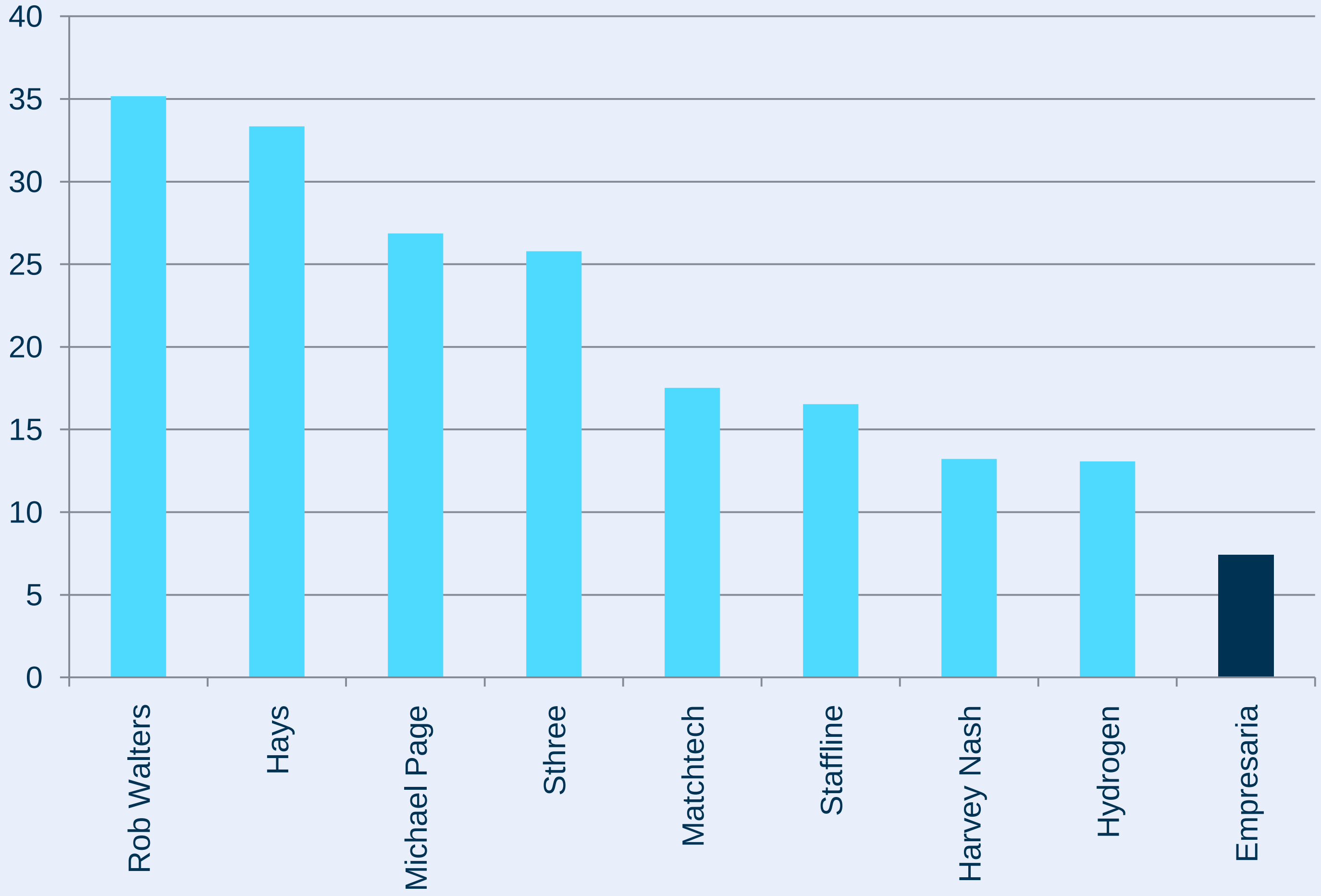
Region	Market size	Temp/Perm focus	Opportunity	GDP growth
UK	3rd largest staffing market	Temp bias (53% of net fee income) High temp penetration rates	Mature market delivering good returns	2014 growth forecast of 2.5%
Continental Europe	Germany is 5th largest staffing market	Temp bias (97% of net fee income) Growing temp penetration rates (German market deregulated in 2004)	German economy is one of the strongest in Europe German staffing market is relatively immature	Next 5 years on average 1-2%
Rest of the World	Japan is 2nd largest staffing market	Perm bias (47% of net fee income) Low temp penetration rates	Large populations point to future growth prospects	Access to high growth markets (eg Indonesia, Thailand, China, India, Singapore, Philippines, Chile)

Management equity philosophy

- Management capacity and structure established for ongoing growth
- Committed to incentivising operational management through equity participation in their businesses
- Helps drive long-term growth and retain/attract key management
- Only executive directors have options over Empresaria shares

	First generation	Second generation
Minority shareholder	Held by the business founder	Provided to next tier of management (normally when first generation shares have been acquired by Empresaria) to incentivise next growth phase
Profits	Interest in full profits of the business	Threshold profit limit exists. Minority shareholder only benefits from growth in profits above the threshold limit
Valuation basis	Multiple based on Empresaria current trading multiple less 0.5, capped at 10x, on average of last three years profit after tax	
Requirement to acquire minority shares	Minority shareholder typically holds shares for 5 years before being able to offer them to Empresaria to acquire, with the valuation based on the agreed methodology. There is no obligation on Empresaria to purchase any shares.	
Level of minority shares	Typical range is between 49% and 5%, with an average Empresaria holding of approximately 75%	

Share valuation comparison



Source: Reuters based on 2014 EPS forecasts (March 2014)

Directors

Anthony Martin – Chairman
Appointed July 2004

Anthony served as Chairman and CEO of Select Appointments (Holdings) Plc from 1992 to 1999, which he and his team built into a global recruitment business before selling the company to Vedior NV, one of the world's largest recruitment companies, for £1.1 billion, in cash, in 1999. Anthony became Vice Chairman and member of the Board of Management of Vedior NV and in August 2000 he assumed the role of Chairman and CEO until his retirement in February 2004. He owns approximately 29% of Empresaria.

Joost Kreulen – Chief Executive Officer
Appointed January 2012

Joost has been with Empresaria since 2009, initially responsible for its Asian operations and more recently also for a number of its UK based businesses. He was appointed Chief Operating Officer and Chief Executive designate on 7 September 2011. Prior to joining Empresaria, Joost had spent 20 years working in various roles for businesses which now form part of Randstad N.V., most recently as head of specialist staffing operations in the Netherlands. He currently owns approximately 0.1% of Empresaria.

Spencer Wreford - Group Finance Director
Appointed May 2010

Spencer has over 10 years experience in senior finance roles. He joined Empresaria from BPP Group, where he was the Finance Director of the BPP Professional Education division, a provider of international professional training. Prior to this he spent 8 years at ITE Group Plc, the international conference and exhibition organising group, as Deputy Finance Director, during which time he also spent six months as Acting Group Finance Director. Spencer is a member of the Institute of Chartered Accountants of England & Wales, qualifying with Arthur Andersen. He currently owns approximately 0.03% of Empresaria.

Penny Freer – Non-Executive Director
Appointed December 2005

Penny has worked in investment banking for over 25 years. She is a partner of London Bridge Capital, a corporate finance advisory firm. Until 2004 she was Head of Equity Capital Markets at Robert W Baird and from 2004 to 2005, Deputy Chairman of Robert W Baird Limited. Prior to this she was Head of Small/Mid Cap Equities for Credit Lyonnais. Penny currently owns approximately 0.03% of Empresaria. Penny is also a non-executive director of Advanced Medical Solutions plc, where she is the senior independent director.

Zach Miles - Non-Executive Director
Appointed October 2008

Before joining Empresaria Zach held the position of Chairman and CEO of Vedior N.V. He was a member of the Board of Management from 1999, and Chairman since February 2004. Before joining Vedior, Zach was CFO and a member of the Board of Directors of Select Appointments (Holdings) Plc. His career in the recruitment industry began in 1988. He was formerly a partner at Arthur Andersen and is a qualified Chartered Accountant.

Shareholder information

Shares in issue: 44,562,847 ordinary shares

Market capitalisation: £21million

Outstanding options: 2.18m (4.9% of shares in issue)

Significant shareholders:

Anthony Martin	12,924,595	29.0%
Caledonia Investments plc	9,814,264	22.0%
Miles Hunt	3,988,092	9.0%
Liontrust Asset Management	3,573,468	8.0%
Tim Sheffield	2,049,307	4.6%
Ashcourt Asset Management	1,673,403	3.8%